

**State Impact**

No significant fiscal impact to State government, institutions of higher education, and local governmental entities covered by Public Employees Health Program (PEHP). However, there could be some impact to local governments, some institutions of higher education and some public school districts if their present insurance coverage does not include the benefit to the extent outlined in this bill. Insurance companies not exempt from the Employee Retirement Income Security Act of 1974 (ERISA) could see cost changes ranging from a savings of .8 percent to an increase of up to 2 percent. The amount of the change depends on the disparity between the new requirements and the current level of benefits provided by that company. This bill will require about 200 companies to change their policy forms and re-file them with the Insurance Department. This will generate about \$4,000 in General Fund revenue. A one-time appropriation of \$2,000 from the General Fund is needed for processing and postage but this will be more than off set by filing fees.

	<u><b>FY 03 Approp.</b></u>	<u><b>FY 04 Approp.</b></u>	<u><b>FY 03 Revenue</b></u>	<u><b>FY 04 Revenue</b></u>
General Fund	\$2,000	\$0	\$4,000	\$0
<b>TOTAL</b>	<u><b>\$2,000</b></u>	<u><b>\$0</b></u>	<u><b>\$4,000</b></u>	<u><b>\$0</b></u>

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**Individual and Business Impact**

Affected individuals may realize savings from the added benefit. The general population of insured individuals may experience a savings or a small premium increase. This increase will be paid by the insured individual or their employers. The companies affected will incur the cost of filing their policies at \$20 per policy form.

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**Office of the Legislative Fiscal Analyst**